

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



June 4, 1997

ALL COUNTY LETTER NO. 97-36

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE REVISED SHELTER AND UTILITY DEDUCTIONS REGULATIONS IN THE FOOD STAMP PROGRAM

REFERENCE: Manual Sections (M.S.) 63-502.353(a)(3), .353(a)(6), .353(b); 63-502.36, and .361(a) through (c), and HANDBOOK SECTION .361(d); .362, .362(a), .362(b)(1)(2) and HANDBOOK SECTION 362(b)(3), .362(c); and HANDBOOK SECTION .363; .364 (a) through (c); and HANDBOOK SECTION .365.

This letter provides County Welfare Departments (CWDs) with information concerning the implementation of the revised Food Stamp Program regulations regarding the calculation of shelter and utility deductions. These provisions are effective July 1, 1997 (See attachment). Also enclosed is the revised regulation package.

The California Department of Social Services (CDSS) was granted a Federal waiver in October 1990 which allowed counties to calculate shelter costs for Food Stamp recipients in shared housing differently than as required in Federal regulations. The CDSS Food Stamp Program regulations Manual Sections (M.S.) 63-502.353 and M.S. 63-502.36 currently contain instructions for the calculation of the shelter and utility deductions. The waiver has been extended through June 30, 1997 to allow for the revision of existing regulations, but after that date will no longer apply.

In order to comply with Federal regulations, existing shelter and utility deduction regulations and handbook sections have been amended or clarified as summarized below:

- The methodology for determining the shelter and utility deductions has been changed. In shared residence situations, CWDs will now need to determine how many households in the residence are contributing to shelter and/or utilities. Each contributing household receives either a proration of other shared utility costs or the actual utilities, depending on the choice made by the Food Stamp Household (FSHH). Currently, Food Stamp recipients must account for the members of the residence, and CWDs often need to make numerous adjustments to deductions, depending on changes

of members within the residence. This often results in errors and is very time consuming. It is anticipated that these revisions will reduce confusion and errors.

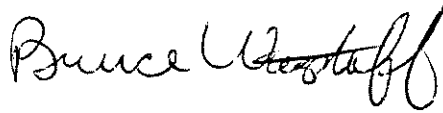
- There are three major categories of excluded household members. Specific instructions on how to treat the contributions made by members of these categories of excluded household members are provided in M.S. 63-502.362(a), (b), and (c).
- When determining deductions, the focus now is on who in the household contributes, not whether or not members have income.
- The Utility Decision Chart [M.S. 63-502.353(a)(6)] has been moved and renumbered as M.S. 63-502.361(d). It has also been revised to reflect the new methodology for determining the utility deduction in shared residence situations. Additionally, a new decision chart has been adopted at M.S. 63-502.363, which provides an alternative aid to counties to assist them in determining how to calculate deductions in various situations.
- Existing language at M.S. 63-502.362 is being repealed to delete instructions on how to treat the deductions of contributing household members. New language has now been adopted to comply with Federal regulations, and explains how CWDs are to treat contributions made by excluded household members. Under the waiver, counties have been able to deduct known contributions from the Standard Utility Allowance (SUA) and allow the remainder of the deduction to the household. The new regulations allow this deduction method only when the contribution is made by a household member who receives Supplemental Security Income (SSI) or is an excluded student. Additionally, counties have been able to prorate in a number of circumstances in the past. The new regulations allow proration for the households consisting of contributing ineligible aliens and/or members who are Social Security Number (SSN) disqualified, or when the contributions of a SSI recipient and/or excluded student household members cannot be differentiated.
- M.S. 63-502.363 is being repealed because it is no longer accurate, due to the impending expiration of the Federal waiver upon which this regulation was based.
- M.S. 63-502.364(a) through (e) is being repealed because these examples were based on the waiver, and are no longer accurate.

IMPLEMENTATION INSTRUCTIONS

Effective July 1, 1997 CWDs shall implement these regulations for all FSHH applicants.

Beginning July 1, 1997, the CWDs shall convert affected continuing cases at household request, or whenever an action is being taken on the case or at recertification, whichever occurs first. However, the conversion must be completed within one year from the effective date of these regulations, i.e., by June 30, 1998.

If you have any questions regarding the implementation guidelines, please call Bill Shaw, Food Stamp Program Bureau, Policy Implementation Unit at (916) 654-1459 or CALNET 464-1459.

A handwritten signature in cursive script, reading "Bruce Wagstaff". The signature is written in dark ink and is positioned above the printed name.

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachments

REGULATION CHANGES

Income, Exclusions and Deductions (M.S. 63-502.353(a)(3), (a)(6), (b), .36, .361(a) through (c), .362, .362 (a) through (c), .363, .364(a) through (c), .365.

M.S. 63-502.353(a)(3), the words "Food Stamp eligible," are deleted from the second sentence as the regulation does not apply only to these households.

M.S. 63-502.353(a)(6) has been renumbered and becomes M.S. 63-502.361(d) (Handbook) to improve the logical sequence in this section. Text in numbers (1) through (4) remains the same. Numbers (5) through (7) are amended to reflect the new method for determining the share of utility deductions in shared residence situations. Former numbers (8) and (9) are deleted. Number (10) becomes number (8).

M.S. 63-502.353(b) is being amended to include language that permits counties to allow FSHH a telephone deduction for an alternate, comparable form of communication in the absence of a telephone (for instance, a pager).

M.S. 63-502.36 is amended to specify that this section refers to the deductions in shared living situations. Additionally, the reference to the landlord situations and arrangements is being repealed, as it is not a concept included in the Federal regulations. The language was also simplified with no change to the context.

M.S. 63-502.361(a), (b) and (c) is being repealed because it is no longer correct. Language is being adopted at those cites to instruct counties to allow FSHH who share a residence with another household its equal portion of SUA or to allow their actual expense (household choice). Additional instructions in M.S. 63-502.361 are included as follows:

- (a) is being adopted to specify that the total amount of utility costs used to determine the amount of the deduction cannot exceed the actual cost of utilities.
- (b) is being adopted to explain that once counties have determined how much of the shelter cost should be attributed to the FSHH, that portion is used to determine how much of that share the FSHH is eligible for, based on household composition rules.
- (c) is being adopted to refer counties to M.S. 63-502.362, .363, and .364 for instructions on how to determine the deductions for households containing excluded members.

M.S. 63-502.362 has been amended to instruct counties on how to identify which excluded household members are contributors, and defines "contributor." Contributors are those household members who share a residence and the expense of that residence. They can qualify by paying or obligating resources.

M.S. 63-502.362(a) through (c) are being adopted to explain how to treat the following categories of excluded household members:

- (a) The contributions toward shelter and utility expenses made by Intentional Program Violation (IPV) Disqualified and workfare/work sanctioned household members, are not counted and do not affect the deduction level of the FSHH.
- (b) When excluded aliens and SSN disqualified households make contributions to shelter and utilities, they are included in the proration of expenses and their share is deducted from the allowable expense to the FSHH. Excluded aliens and SSN disqualified household members with income must be included in the proration of expenses. If s/he is acting solely as an agent or payee for another household member, s/he would not be included in the proration calculation.
- (c) When household members who receive SSI or an excluded student contribute towards the shelter and utilities, their contribution is deducted from the allowable expense. The FSHH is allowed either the remaining amount of SUA as their deduction, or their actual contribution, based on what the FSHH elects.

M.S. 63-502.363 (Handbook Deduction Chart) replaces existing M.S. 63-502.363 to clearly instruct counties how to determine deductions in various shared residence situations.

M.S. 63-502.364(a) through (e) are being repealed. New language is adopted at M.S. 63-502.364(a) through (c) to instruct counties on the new method for proration.

M.S. 63-502.365 (Handbook) is being adopted to assist counties in determining the FSHH share of utilities by supplying them with examples of the various situations which may occur in shared housing.

Adopt Section 63-021 to read:

63-021 IMPLEMENTATION OF SHELTER AND UTILITY DEDUCTIONS REVISIONS 63-021

- .1 Effective July 1, 1997, the CWDs shall implement the adopted and amended provisions in Sections 63-502.353(a)(3) and .353(a)(3)(A), .353(a)(6), .353(b); .36; .361, .361(a) through (c); .361(d), .362, .362(a) through (e); .363; .364 (a) through (e) (Handbook); and .365. All new cases shall be determined using these provisions. Continuing cases shall be converted to these provisions when the case is reviewed next, at recertification, or at participant request. All cases must be converted to these provisions no later than July 1, 1998.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

References: Sections 10553, 10554, and 18904 Welfare and Institutions Code; Public Law (P.L.) 99-603, Section 201(a), Section 245A (h)(1)(A)(iii) Immigration Reform and Control Act; 7 CFR 273.9(d)(6)(vii) and (viii); 7 CFR 273.11(c) and (d).

Amend Section 63-502 and relocate .353 (a) (6) (1) through (10) to read:

63-502 INCOME, EXCLUSIONS, AND DEDUCTIONS (Continued)

63-502

.35 Excess Shelter Deduction (Continued)

.353 Standard Utility Allowance (SUA)

(a) Entitlement to SUA (Continued)

(3) Food stamp households have the option of choosing either the actual utility costs or the SUA, if they are eligible for SUA. When two or more Food Stamp eligible households are in a shared living situation, the total amount of utility costs used to determine the amount of the deduction for each household shall not exceed the total amount of actual utility costs or SUA for the residence based on the option chosen by the food stamp household, as explained in the first sentence of this section.

(A) A prorated SUA may not be used in conjunction with actual utility expenses, as the combined amount of the deductions may exceed the actual utility cost or SUA for the residence.
(Continued)

~~HANDBOOK BEGINS HERE~~

~~(6) UTILITY ALLOWANCE DECISION CHART~~

~~IF THE HOUSEHOLD (HH)~~

~~THEN...~~

~~SEPARATE RESIDENCE SEPARATE METER~~

~~1) Lives in a separate residence and pays heating and cooling based on its own metered usage.~~

~~Allow full SUA or actual costs, based on HH choice.~~

~~SEPARATE RESIDENCE SHARED METER~~

~~2) Lives in a separate residence from another HH but shares a meter and each HH is billed a percentage of the utilities by a nonresident landlord.~~

~~Allow actual costs for both HHs.~~

~~3) Lives in a separate residence but shares utility meter and one HH is billed for the cooling and/or heating, and the other pays a percentage of the total bill (neither HH is the landlord).~~

~~Allow full SUA or actual net costs for the HH which is billed (HH's choice), the other is allowed the actual costs. May mix SUA and actuals because of separate residence.~~

- 4) ~~Lives in separate residence and shares the meter -- HH #1 billed for heating and HH #2 for cooling.~~

~~Allow full SUA or actual costs for each HH. May mix because of separate residence.~~

~~SHARED RESIDENCE~~

- 5) ~~Shares a residence, shares billed expenses and amount of share is unknown.~~

~~Allow prorated SUA or prorated actuals for both HHs. Cannot mix.~~

- 6) ~~Shares a residence and one HH is billed for the heating and the other is billed for cooling or each pays a percentage of the utility bills.~~

~~Allow prorated SUA or prorated actuals for both HHs. Cannot mix.~~

- 7) ~~Shares a residence -- HH #1 is billed and HH #2 pays a flat amount to HH #1 for utilities separate from rent (neither HH is landlord).~~

~~Allow SUA, minus the flat amount, for HH #1 and the flat amount for HH #2 or actuals for both.~~

- 8) ~~Shares a residence -- HH #1 is billed for utilities and HH #2 pays rent including utilities.~~

~~Allow full SUA or actuals for HH #1 (HH's choice). Allow actual housing costs (rent) and no separate utilities for HH #2.~~

~~LANDLORD/TENANT~~

- 9) ~~Lives in a residence with another HH and HH #1 is the landlord and is billed for the utilities and HH #2 is the tenant and pays a flat rate or percentage for utilities separate or combined with rent.~~

~~Allow full SUA or actuals for HH #1 (HH's choice). HH #2 is allowed the actual costs regardless of whether HH #1 is participating in the Food Stamp Program.~~

~~Note: Amount paid by HH #2 to HH #1 (landlord) will be treated as self-employment income.~~

~~HOMELESS HOUSEHOLDS~~

- 10) ~~Receives Homeless Standard Shelter Allowance~~

~~Not entitled to SUA.~~

~~HANDBOOK ENDS HERE~~

- (b) A standard telephone allowance of \$20 shall be used only in instances where the household has a telephone, or in its absence, an equivalent form of communication and is not entitled to the SUA. If the household's actual telephone service fee is greater than the standard allowance, and it represents the lowest available rate to the household, the household may request to have the actual service fee used. The household must be able to verify the actual cost claimed. Failure to have a telephone will not preclude use of the full SUA.

(Continued)

.36 Shared Living Expenses Deductions

Shared living expenses include allowable shelter, utility and/or dependent care expenses which the Food Stamp eligible household member(s) shares with another individual not participating in the Food Stamp Program, or another household participating in the Food Stamp Program, or both, while living in the same residence. ~~Landlord/tenant (roomer) arrangements are not considered shared living. The Food Stamp household's deduction amount shall be determined as follows: an excluded/ineligible household member(s) or another household which may or may not be participating in the Food Stamp Program.~~

~~.361 Flat Contribution Amount~~

- ~~(a) If the Food Stamp household is the contributor and pays a flat amount, the flat amount is the deduction amount.~~
- ~~(b) If someone who is not an eligible member of the Food Stamp household (other than Intentional Program Violation (IPV) or workfare/work requirement sanction) shares the expense by contributing a flat amount toward the household's allowable expenses, deduct the flat amount from the total expense (or SUA if applicable) and the net amount shall be the Food Stamp household's deduction.~~
- ~~(c) If someone in the household is excluded from Food Stamp Program participation because of SSI Disqualification or Ineligible Alien Status and pays the entire expense, then the expense shall be prorated as specified in Section 63-502.362 and only the Food Stamp household's pro rata share shall be counted as a deduction.~~

.361 Treatment of Separate Households

The food stamp household may live with another household(s) which may or may not participate in the Food Stamp Program. If these households share shelter and/or utility expenses, the CWD will either allow actual expenses for each household or allow actual shelter expenses and divide the standard utility allowance equally by the number of the households contributing to the expense.

- (a) Under no circumstance is the total amount of utility costs used to determine the amount of the deduction to exceed the total amount of the actual utility costs or SUA for the residence.
- (b) For the food stamp household(s), the CWD shall use the household's share of utility expense to then determine the Food Stamp household's utility deduction and the

household's actual shelter expense to determine the shelter deduction, based on its household composition.

- (c) When the food stamp household contains excluded members, refer to Sections 63-502.362, .363 and .364 to determine the allowable deduction.

~~.362 Unknown Contribution Amount~~

~~If the amount of shared living expenses paid or contributed cannot be differentiated (e.g., pooled income), the expense shall be prorated and only the household's pro rata share shall be counted as a deduction. To determine the pro rata share of the expense for the Food Stamp household, the CWD shall:~~

- ~~(a) Determine the number of individuals not participating in the Food Stamp Program who live with and share the expense with the Food Stamp eligible household member(s). Do not count household members who are excluded for an IPV or workfare/work requirement sanction.~~
- ~~(1) If an individual who is excluded for SSN Disqualification or Ineligible Alien Status contributes to the shared living expenses, all such excluded individuals are considered contributors and are counted, if they would otherwise be an eligible household member. In cases where ineligible aliens are also ineligible students, the alien status would take precedence over student status. Such individuals should be considered contributors if at least one ineligible alien contributes.~~
- ~~(2) If a nonhousehold member as specified in Section 63-503.45, contributes to the shared living expenses, only the nonhousehold member who actually contributes is counted.~~
- ~~(b) Find the sum of the number of individuals in (a) and the number of household members in the Food Stamp eligible household, include the household members who have been excluded for IPV or workfare/work requirement sanction.~~
- ~~(c) Divide the total applicable expense by the total number of contributors in (b) to determine a pro rata share.~~
- ~~(d) Multiply the pro rata share determined in (c) by the number of Food Stamp eligible household members, plus the household members who have been excluded for IPV or workfare/work requirement sanction, to determine the household's share of the applicable expense.~~
- ~~(e) Formula for Proration of Deductible Expenses~~

ADD:

~~Contributors not receiving food stamps
+ FS household members (include IPV and work
sanction)
Total Contributors~~

DIVIDE:

~~Expense
Total Contributors = Prorated Share
of Expense~~

MULTIPLY:

~~Prorated Share of Expense~~
~~X FS household members (including IPV and work~~
~~sanction)~~
~~FS eligible household share of expense~~

HANDBOOK ENDS HERE

HANDBOOK BEGINS HERE

(d)

UTILITY ALLOWANCE DECISION CHART

IF THE HOUSEHOLD (HH)...

THEN...

SEPARATE RESIDENCE-SEPARATE METER

- (1) Lives in a separate residence
and pays heating and cooling
based on its own metered usage,

Allow full SUA or actual costs, based
on HH choice.

SEPARATE RESIDENCE-SHARED METER

- (2) Lives in a separate residence
from another HH but shares a
meter and each HH is billed a
percentage of the utilities by
a nonresident landlord.

Allow actual costs for both HHs.

- (3) Lives in a separate residence
but shares utility meter, and
one HH is billed for the
cooling and/or heating, and the
other pays a percentage of the
total bill (neither HH is the
landlord),

Allow full SUA or actual net costs
for the HH which is billed (HH's
choice), the other is allowed the
actual costs. May mix SUA and
actuals because of separate
residence.

- (4) Lives in separate residence and
shares the meter - HH #1 billed
for the heating and HH #2 for
cooling,

Allow full SUA or actual costs for
each HH. May mix because of separate
residence.

SHARED RESIDENCE (Refer to Section 63-502.364 if HH has excluded members.)

- (5) Shares a residence, shares
billed expenses, including but
not limited to each paying a
percentage or portion, or one
HH pays for the heating costs
and the other pays for the
cooling.

If the FSHH chooses SUA, divide the
SUA among the number of households
contributing. Allow FSHH's pro rata
share of the SUA. If FSHH chooses
actual expenses, allow the actual
amount paid.

(6) Shares a residence - HH #1 is billed for utilities and HH #2 pays rent including utilities,

Allow full SUA or actual expenses for HH #1 (HH's choice). Allow actual housing costs (rent) and no separate utilities for HH #2 because the utility costs are included in its rent.

(7) Shares a residence - HH #1 is billed and HH #2 pays a flat amount to HH #1 for utilities separate from rent,

If the FSHH chooses SUA, divide the SUA among the number of households contributing. Allow FSHH's pro rata share of the SUA. If FSHH chooses actual expenses, allow actual amount paid.

HOMELESS HOUSEHOLDS

(8) Receives Homeless Standard Shelter Allowance

Not entitled to SUA.

HANDBOOK ENDS HERE

.362 Food Stamp Households with Excluded Members

The CWD must identify which excluded members are contributors. Contributors are those household members who share the residence and the expense of that residence by paying or obligating money from their separate income or resources.

(a) IPV Disqualifications and/or Workfare/Work Sanctions

If the food stamp household shares deductible expenses with members who are excluded because they are IPV disqualified or have been sanctioned for refusing to fulfill workfare or work requirements, the entire rent and utility amounts are counted as deductions for the Food Stamp household budget.

(b) Ineligible aliens and/or SSN Disqualifications

If the food stamp household members who are ineligible aliens or members excluded for SSN disqualification pay part or all of the deductible expenses, the expenses will be prorated among all members and only the eligible members' share is counted as the deduction. Refer to MS 63-502.364 for instructions on how to prorate.

(1) If any ineligible alien contributes to the household expenses, all ineligible aliens of that household are counted in the proration. If any SSN disqualified member contributes to the household expense, all SSN disqualified members of that household are counted in the proration.

(2) To be considered a contributor the ineligible alien or SSN disqualified member must actually be using his/her income or resources to contribute. If s/he is acting solely as an agent or payee for another household member, s/he would not be prorated.

- (A) Any of these members who have income must be included in the proration of expenses.

HANDBOOK BEGINS HERE

(3) EXAMPLE: Household composition:

Father - an ineligible alien, does not contribute to expenses

Mother - an eligible alien receiving AFDC, contributes to expenses

Two children receiving AFDC

The CWD would not consider the father in the proration calculation solely based on his relationship with the mother. He is not calculated into the proration because he does not contribute.

HANDBOOK ENDS HERE

(c) SSI recipients and/or Excluded Students

If the food stamp household shares deductible expenses with members who are excluded because they are SSI recipients or excluded students, amounts contributed by those excluded members shall be deducted from the allowable expense. Only the remaining dollar amount shall be allowed as the Food Stamp household's deduction.

(1) If payments or contributions made by these excluded members cannot be differentiated, the expenses shall be prorated evenly among the members contributing to the expense and only the food stamp household's pro rata share is counted as the deduction.

(2) If an SSI recipient and/or excluded student household member does not contribute to the household expenses, he/she is not counted in the proration.

~~-363 Both a Flat and Unknown Contribution~~

~~If there are both a flat and an unknown contribution to the shared living expenses, the flat amount is deducted from the applicable expense(s) and a pro rata share of the balance of the expense(s) is the Food Stamp eligible household's deduction amount. The person(s) contributing the flat amount shall be excluded from the proration.~~

HANDBOOK BEGINS HERE

.363 CWDs may use the following chart when calculating shelter expenses in shared living situations. Additionally, the following steps may be helpful in the calculation process:

- (a) Determine the number of households sharing the residence (refer to MS 63-502.361). Use household composition rules and the Decision Chart below.
- (b) Determine the number of households contributing to the expense.
- (c) Determine the amount of the Food Stamp household's contribution. See the Rent and Utilities sections of the Decision Chart below.
- (d) If the Food Stamp household contains excluded members, see the Decision Chart below.

DEDUCTION DECISION CHART IN SHARED LIVING ARRANGEMENTS

	Within Residence	Within FSHH		
	<u>Separate HHs:</u> <u>includes roomers, attendants, or others</u> <u>who live with HH but purchase and</u> <u>prepare separately (i.e., another family)</u>	<u>IPV/Work</u> <u>Sanction within the</u> <u>FSHH</u>	<u>SSI Recipient/</u> <u>Excluded Student</u> <u>within the FSHH</u>	<u>Ineligible Alien/</u> <u>SSN Disqualified within</u> <u>the FSHH</u>
<u>HH Composition Test: Would the</u> <u>person(s) be an otherwise eligible</u> <u>HH member(s), per HH</u> <u>composition rules?</u> <u>(M.S. 63-402.1)</u>	No.	Yes, as determined by HH composition rules. Items below apply.	Yes, as determined by HH composition rules.	Yes, as determined by HH composition rules. If yes, then items below apply.
<u>Shelter</u> <u>(M.S. 63-502.35)</u>	<u>Allow actual amount paid by FSHH as its</u> <u>deduction.</u> <u>If contribution cannot be differentiated,</u> <u>prorate by the number of HHs</u> <u>contributing.</u>	<u>Count total of</u> <u>eligibles' and</u> <u>IPV/Work</u> <u>sanctioned excluded</u> <u>members' rent in FS</u> <u>budget.</u>	<u>Deduct contribution of</u> <u>excluded members from</u> <u>expense, and allow the FSHH</u> <u>the remainder as its deduction.</u> <u>If contribution cannot be</u> <u>differentiated, prorate and</u> <u>allow only the portion</u> <u>attributed to eligible HH</u> <u>members.)</u>	<u>Prorate expense: Divide</u> <u>evenly among</u> <u>eligibles and these</u> <u>excluded members; count</u> <u>eligibles' share.</u>
<u>Utilities:</u> <u>SUA or Actuals</u> <u>(M.S. 63-502.353)</u>	<u>If FSHH is eligible for and chooses SUA,</u> <u>prorate: Divide the SUA evenly among</u> <u>number HHs contributing. Allow</u> <u>FSHH's pro rata share. Allow actuals if</u> <u>FSHH chooses.</u>	<u>Count total of</u> <u>eligibles' and</u> <u>IPV/work</u> <u>sanctioned excluded</u> <u>members' SUA or</u> <u>actuals in FS</u> <u>budget.</u>	<u>Known contribution: Deduct</u> <u>from total; allow amount paid</u> <u>by FSHH as deduction.</u> <u>Unknown contribution: Prorate:</u> <u>Divide evenly among eligibles</u> <u>and excluded members</u> <u>contributing; allow eligible</u> <u>members' share.</u>	<u>Prorate expense: Divide</u> <u>evenly among eligibles</u> <u>and these excluded</u> <u>members; count eligibles'</u> <u>share.</u>
<u>Resources (M.S. 63-501.1)</u>	<u>Not available to FSHH.</u>	<u>Count all.</u>	<u>Not available to FSHH.</u>	<u>Count all.</u>
<u>Income</u> <u>(M.S. 63-502.1)</u>	<u>Not available to FSHH</u> <u>(If person makes a cash contribution to</u> <u>HH, apply normal income standards).</u>	<u>Count all.</u>	<u>Not available to FSHH (If</u> <u>person makes a cash</u> <u>contribution to HH, apply</u> <u>normal income standards).</u>	<u>Prorate: Divide evenly</u> <u>among eligibles and</u> <u>these excluded members;</u> <u>count eligibles' share.</u>

HANDBOOK ENDS HERE

HANDBOOK BEGINS HERE

364 EXAMPLES.

- (a) ~~Mother - ineligible alien, no income~~
~~5 children - AFDC~~
~~1 ineligible student with income who does not contribute~~
~~Unrelated adult - ineligible alien, contributes a flat~~
~~amount toward rent and utilities.~~

~~Shelter calculation:~~

~~SUBTRACT: Rent~~
~~Unrelated adult contribution FS household share of rent~~

~~SUBTRACT: Utilities (SUA if applicable)~~
~~Unrelated adult contribution FS household share of utilities~~

- (b) ~~Mother - ineligible alien, no income~~
~~5 children - AFDC - pool w/ ineligible student~~
~~1 ineligible student - pools income w/AFDC~~
~~Unrelated adult - ineligible alien, contributes a flat~~
~~amount toward rent/utilities combined~~

~~Shelter calculation:~~

~~SUBTRACT: Rent~~
~~- Unrelated adult contribution~~
~~Net rent to be prorated~~

~~DIVIDE: Net rent to be prorated = Prorated net rent~~
~~6 (5 AFDC and 1 ineligible student)~~

~~MULTIPLY: Prorated net rent~~
~~X 5 (FS eligibles)~~
~~FS eligible household's share of rent~~

~~DIVIDE: Utilities (SUA if applicable) = Prorated net utilities~~
~~6 (5 AFDC and 1 ineligible student)~~

~~MULTIPLY: Prorated net utilities~~
~~X 5 (FS eligibles)~~
~~FS eligible household's share of utilities~~

- (c) ~~Mother - ineligible alien - pools income~~
~~Unrelated Adult - ineligible alien - pools income~~
~~5 children - AFDC - pooled~~
~~1 ineligible student - pools income~~

~~Shelter Calculation:~~

~~DIVIDE: Rent = Prorated share of rent~~
~~8 (Everyone)~~

~~MULTIPLY: Prorated Share of Rent~~
~~X 5 (FS eligibles)~~
~~FS Household's Share of Rent~~

~~DIVIDE: Utilities (SUA if applicable) = Prorated share of utilities~~
~~8 (Everyone)~~

~~MULTIPLY: Prorated share of utilities~~

~~X 5 (FS eligibles)~~
~~FS household's share of utilities~~

DIVIDE: $\frac{\text{Dependent care cost}}{8 \text{ (Everyone)}}$ = ~~Prorated share of dependent care cost~~

MULTIPLY: $\frac{\text{Prorated share of dependent care cost}}{\text{X } 5 \text{ (FS eligibles)}}$
~~FS household's share of dependent care~~

(d) ~~Mother and 4 children - AFDC (pooled w/ SSI & IPV)~~
~~Father - Excluded for IPV (pools w/AFDC)~~
~~1 child - SSI (pools income w/AFDC)~~
~~Aunt - SSI (does not pool or contribute)~~

~~Shelter Calculation:~~

DIVIDE: $\frac{\text{Rent}}{7 \text{ (5 AFDC, 1 IPV and 1 SSI/SSP who pools income)}}$ = ~~Prorated net rent~~

MULTIPLY: $\frac{\text{Prorated net rent}}{\text{X } 6 \text{ (FS eligibles and 1 IPV)}}$
~~FS household's share of rent~~

DIVIDE: $\frac{\text{Utilities (SUA if applicable)}}{7 \text{ (5 AFDC, 1 IPV and 1 SSI/SSP who pools income)}}$ = ~~Prorated net utilities~~

MULTIPLY: $\frac{\text{Prorated net Utilities}}{\text{X } 6 \text{ (FS eligibles and 1 IPV)}}$
~~FS household's share of utilities~~

(e) ~~Mother Ineligible alien, w/earned income pays all shelter and dependent care costs from income pooled w/ineligible student~~
~~2 children FS eligible, their only income is deemed from mother~~
~~1 ineligible student w/income, pools w/the mother~~

~~Shelter Calculation:~~

DIVIDE: $\frac{\text{Rent}}{4 \text{ (everyone*)}}$ = ~~Prorated rent~~

MULTIPLY: $\frac{\text{Prorated Rent}}{\text{X } 2 \text{ (FS eligibles)}}$
~~FS household's share of rent~~

DIVIDE: $\frac{\text{Utilities (SUA if applicable)}}{4 \text{ (everyone*)}}$ = ~~Prorated utilities~~

MULTIPLY: $\frac{\text{Prorated utilities}}{\text{X } 2 \text{ (FS eligibles)}}$
~~FS household's share of utilities~~

~~Dependent Care Calculation:~~

DIVIDE: $\frac{\text{Dependent care}}{4 \text{ (everyone*)}}$ = ~~Prorated dependent care~~

MULTIPLY: $\frac{\text{Prorated dependent care}}{\text{X } 2 \text{ (FS eligibles)}}$
~~FS household's share of dependent care~~

~~Since a prorated share of the excluded parent's income is deemed to the Food Stamp eligible household, and a portion of that deemed income is used to pay shelter and dependent care costs, the HH is allowed a prorated share of the expenses as deduction. In addition, since the ineligible student pools his/her income, he/she is allocated a pro rata share of the expense.~~

HANDBOOK ENDS HERE

.364 To prorate within the food stamp household, the CWD shall:

- (a) Find the sum of contributors. The categories and treatment of contributors are as follows:
 - (1) Household members excluded for food stamps: Count all food stamp eligible persons plus any person disqualified for IPV or workfare/work sanction.
 - (2) Household members excluded due to alien status or is SSN disqualified: If one ineligible alien contributes or has income, count all ineligible aliens. If one SSN disqualified member contributes or has income, count all SSN disqualified members.
 - (3) Household members excluded due to being an SSI recipient or excluded student: Count only the person(s) contributing when the contribution cannot be differentiated.
- (b) Divide the total applicable expense by the total number of contributors found in (a) above to arrive at the pro rata share per person.
- (c) Multiply the pro rata share from (b) above by the number of food stamp eligible persons and IPV or workfare/work sanctioned persons from (a)(1) above. This is the pro rata share of expenses to allow the food stamp eligible members.

HANDBOOK BEGINS HERE

.365 EXAMPLES

NOTE: The SUA figure used in the examples below is the Federal Fiscal Year 1997 figure. This section will not be amended to reflect adjustments to the SUA, which can occur annually. CWDs will need to use the current SUA figure when calculating deductions.

I. Mother- ineligible alien, contributes towards rent and utilities
2 Children- AFDC

Total rent: \$300 eligible for and chooses SUA:= \$151

Step 1. Determine number of HHs sharing the residence

HH A: Ineligible alien mother and two AFDC children

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine the amount of each HH's contribution

HH A: Rent \$300

SUA \$151

Step 4. Determine amount to be used in FS budget

Rent: $\$300 + 3 = \$100 \times 2 = \$200$

SUA: $\$151 + 3 = \$50.33 \times 2 = \$100.66$

II. Mother-

ineligible alien; doesn't contribute to expenses; has no income.

2 Children-

AFDC

Total rent: \$300

eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: Ineligible alien mother, and two AFDC children

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine the amount of each HH's contribution

HH A: Rent \$300

SUA \$151

Step 4. Determine amount to be used in FS budget

HH A: Rent $\$300 + 2$ (AFDC children) = \$150

$\$150 \times 2$ (AFDC children) = \$300

SUA $\$151 + 2$ (AFDC children) = \$75.50

$\$75.50 \times 2$ (AFDC children) = \$151

III. Mother-

ineligible alien; contributes towards rent and utilities

2 Children-

AFDC

Unrelated adult-

shares expenses and contributes \$150 for rent and \$75 for utilities; purchases and prepares food separately

Excluded student-

no contribution; purchases and prepares with mother and children

Total rent: \$400

eligible for and chooses to divide the SUA: $\$151 + 2 = \75.50

Step 1. Determine number of HHs sharing the residence

HH A: Ineligible alien mother, 2 AFDC children, and excluded student

HH B: Unrelated adult

Step 2. Determine number of HHs contributing to the expense

HH A + HH B = 2

Step 3. Determine amount of each HHs' contribution

HH A: Rent \$400-\$150=\$250 SUA \$75.50

HH B: Rent \$150 SUA \$75.50

Step 4. Determine amount to be used in FS budget

HH A: Rent \$250 + 3 (mother + 2 AFDC children) =
\$83.33 x 2 (2 children) = \$166.67
SUA \$75.50 + 3 = \$25.16 x 2 = \$50.32

NOTE: Excluded student doesn't contribute; therefore isn't included in proration

IV. Mother- IPV disqualified: contributes to rent and utilities
2 Children- AFDC
SSI recipient- contributes, but amount of contribution is unknown; purchases and prepares with mother and children

Total rent: \$400 eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: IPV Disqualified mother, 2 AFDC children, and SSI recipient

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine amount of each HHs contribution

HH A: Rent \$400
SUA \$151

Step 4. Determine amount to be used in FS budget

HH A: Rent \$400 + 4 (mother, two children and SSI recipient)
= \$100 x 3 (2 AFDC children + mother) = \$300
SUA \$151 + 4 = \$37.75 x 3 = \$113.25

V. Father- contributes to utilities and shelter
3 Children- AFDC
Ineligible alien
adult- unemployed ineligible alien who contributes \$150 per month for rent and utilities; purchases and prepares with father and children

Total Rent: \$400 eligible for and chooses SUA: \$151

Step 1. Determine number of HHs sharing the residence

HH A: Father and 3 children on AFDC; ineligible alien

Step 2. Determine number of HHs contributing to the expense

HH A = 1

Step 3. Determine amount of each HH's contribution

HH A: Rent \$400 SUA \$151 - \$0 = \$151

Step 4. Determine amount to be used in FS budget

HH A: Rent \$400 + 5 = \$80
\$80 x 4 (father and 3 children) = \$320
SUA \$151 + 5 = \$30.20 x 4 = \$120.80

NOTE: Known contribution of ineligible alien is not deducted.
He/she is prorated, and the FSHH is allowed all but his portion.

<u>VI. Mother-</u>	<u>contributes to rent and</u>
	<u>utilities</u>
<u>2 children</u>	<u>receive AFDC</u>
<u>SSI child-</u>	<u>sibling of AFDC children; contribution</u>
	<u>unknown</u>
<u>Ineligible alien adult-</u>	<u>no contribution; purchases and prepares</u>
	<u>food with mother and children</u>
<u>SSI grandmother-</u>	<u>contributes \$150 towards rent; purchases</u>
	<u>and prepares separately</u>
<u>Total rent: \$500</u>	<u>eligible for and chooses SUA: \$151</u>

Step 1. Determine number of HHs sharing the residence

HH A: Mother, 2 AFDC children, SSI child, and ineligible
alien adult

HH B: SSI grandmother

Step 2. Determine number of HHs contributing to the expense

HH A + HH B = 2

Step 3. Determine amount of each HH
contribution

HH A: Rent \$500-\$150 = \$350 SUA \$151

HH B: Rent \$150

Step 4. Determine amount to be used in FS budget

HH A: Rent \$350 + 4 (mother, SSI child, and AFDC children) =
\$87.50 x 3 (mother and AFDC children)* = \$262.50
SUA \$151 + 4 = 37.75 x 3 = 113.25

*Note: The ineligible alien was not prorated in Step 4 as this
individual does not pay anything towards these expenses (therefore
is not a contributor).

HANDBOOK ENDS HERE

.37 (Continued)

Authority Cited: Sections 10553, 10554, 11209, 18900, 18901 and 18904 Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; Public Law (P.L.) 99-603, Section 201(a), Section 245A (h)(1)(A) (iii) Immigration Reform and Control Act, 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 100-77; P.L. 101-201; P.L. 101-508, Section 11111(b); P.L. 103-66, Section 5(c), (d) and (e) and Section 8(a); 7 Code of Federal Regulations (CFR) 271.2; 7 CFR 273.7(f); 7 CFR 273.9; 7 CFR 273.9(b)(1); 7 CFR 273.9(c) and proposed amended (c)(1)(ii) as published in the Federal Register, Vol. 59 No. 167, on August 30, 1994; 7 CFR 273.9(d) and proposed (d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; and (e); 7 CFR 273.11 (c), (d) and (d)(1); 7 CFR 273.21(j)(1)(vii)(A); 7 United States Code (U.S.C.) 2014(c), (d), (e), (k)(1)(B), and (k)(2)(F); 7 U.S.C. 2015(e); 7 U.S.C. 2017(a); 20 U.S.C. 2466d.; 26 U.S.C. 32(j)(5); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal Feb. 1, 1990) _____ F. Supp. _____ [Dock. No. CV-89-0768].); United States Department of Agriculture (U.S.D.A.) Food and Nutrition Service (FNS) Administrative Notice (AN) 88-40, Indexed Policy Memo 88-10, dated April 20, 1988; U.S.D.A., FNS ANs 91-24, 91-30, and 94-39; U.S.D.A., ~~FNS Waiver Letter WFS-100-PS-10-6-CA, dated October 2, 1990~~; U.S.D.A., FNS, AN, 94-41, dated April 19, 1994; and the July 8, 1998 district court order in Hamilton v. Lyng.